



CITY OF HUNTINGTON PARK

Community Development Department
Oversight Board Agenda Report

November 12, 2014

Honorable Chair and Members of the Oversight Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Chair and Members of the Oversight Board:

RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH NICHOLAS ALEXANDER SETTING TERMS FOR THE PURCHASE AND SALE OF THE SOUTHLAND STEEL SITE

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Approve a Resolution authorizing Memorandum of Understanding (MOU) with Nicholas Alexander for the purchase and sale of property located at 5959-6169 Alameda Street, also known as the Southland Steel property
2. Authorize the Interim City Manager to execute the MOU.

BACKGROUND

For the last six months staff has been diligently working with the Department of Toxic Substances Control (DTSC) under the California Land Reuse Revitalization Program (CLLRA), and has made significant progress in completing a Response Plan (Plan) outlining a cleanup strategy for the soil, soil vapor, and groundwater for the Southland Steel property. On October 2, 2014, after a 30-day public review period, the Response Plan was approved for implementation by DTSC.

Currently, the City is in the process of awarding a contract to implement soil remediation. Moreover, at the direction of DTSC, the City installed four additional groundwater wells and conducted investigations. The results from these investigations will allow the City and DTSC to quantify the costs associated with groundwater cleanup and monitoring. Additionally, this information will facilitate negotiations during the sale of the property.

Southland Steel Sale - Deal Point Summary

At the same time cleanup activities are moving forward, and per City Council direction, staff has been discussing the terms for the sale of the property with Nicholas Alexander

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(Buyer). As a result of these discussions, staff recommends that City Council approve the MOU, which includes the following terms previously approved by Council:

City:

- Pay for soil and soil vapor cleanup costs above \$800,000 loan (Alexander pays \$400,000 and grant will cover \$400,000), which will be paid from proceeds of sale
- Pay Jones Lang LaSalle 3% broker commission fee (~\$141,000) from proceeds of the sale
- Assign the CLRRRA agreement with DTSC to Buyer and deliver a “No Further Action” letter from DTSC

Buyer:

- Pay \$3.2 million for purchase of the land
- Enter into a separate agreement to pay \$400,000 of City clean-up loan.
- Pay for costs associated with groundwater cleanup and on-going monitoring, including reimbursement for City costs associated with the installation of water testing wells. Groundwater cleanup costs will be determined upon completion of groundwater investigative activities
- Will pay own broker commission fee

It is important to note that City staff is currently working on an ordinance requiring that any land in which the City expends money to perform environmental cleanup, must reimburse the City for all expenses incurred prior to issuing any building permits. In other words, if the sale with the current Buyer does not proceed, the future buyer of the Southland Steel property would be responsible for reimbursing the City for all environmental expenditures.

FISCAL IMPACT/FINANCING

There will be no impact to the City’s General Fund as a result of this action. Soil and soil vapor remediation expenses will be paid from a \$1.2 million loan/grant received from DTSC and the Environmental Protection Agency (\$800,000 City loan + \$400,000 in Agency grants). Any cost exceeding the \$1.2 million will be paid from proceeds of the sale of the property. The Buyer will be responsible for paying the City the \$400,000 loan and for groundwater cleanup and monitoring costs.

**RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH
NICHOLAS ALEXANDER SETTING TERMS FOR THE PURCHASE AND SALE OF
THE SOUTHLAND STEEL SITE**

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LEGAL AND PROGRAM REQUIREMENTS

On March 3, 2014, the City Council authorized staff to apply for funding in an amount of \$1,000,000 (\$800,000 loan/\$200,000 grant) to finance the cleanup of the Southland Steel property under the California Brownfields Revolving Loan Fund Program administered by the DTSC. The City received an additional cleanup grant of \$200,000 from the Environmental Protection Agency. The use of these two funding sources is restricted to remediation of the Southland Steel property. The sale of the property cannot be completed until soil and soil vapor clean-up is completed and liability for groundwater contamination is resolved. Approval from the State Department of Finance regarding the sale and clean-up will be obtained prior to commencing soil clean-up efforts.

CONCLUSION

Upon approval by the Oversight Board, the Resolution and MOU will be forwarded to the DOF for final approval.

Respectfully submitted,



JULIO MORALES
Interim City Manager

ATTACHMENTS

A: Resolution and MOU with Nicholas Alexander

CITY OF HUNTINGTON PARK
AS SUCCESSOR AGENCY
(SOUTHLAND STEEL PROPERTY)

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") is dated as of November __, 2014 by and between the City of Huntington Park, as successor agency to the former Community Development Commission of the City of Huntington Park (the "Successor Agency:") and _____ ("Alexander"). This MOU sets forth the preliminary intentions of the parties with respect to negotiating a definite contract for the purchase and sale of real property commonly known as 5959-6161 Alameda Avenue, Huntington Park, California (the "Property").

Paragraph 1. This MOU is not a binding agreement, but rather serves as the basis for negotiating and drafting a definitive purchase and sale agreement for the disposition of the Property between the parties that will contain some or all terms stated in this MOU as well as other terms and conditions to be determined by the parties based upon such negotiations. Neither party will rely on this MOU as binding on the other; any such reliance would be imprudent and unreasonable. Neither party will be bound with respect to the purchase or sale of the Property unless and until a definitive agreement for the purchase and sale of the Property has been approved, executed and delivered by both parties. It is understood and agreed that this MOU does not contain all the essential terms that the parties expect will be part of an agreement, and may contain terms that the parties will not make a part of an agreement, with respect to the purchase and sale of the Property. Further negotiations between the parties are contemplated before a binding agreement will be prepared, but neither party is bound to continue such negotiations. Further efforts by either party to perform due diligence, conduct environmental investigation or perform clean-up work on the Property, arrange or obtain financing, or carry out other acts in contemplation of the possible purchase and sale of the Property may not be deemed evidence of intent by either party to be bound by this MOU.

Paragraph 2. The Property includes the land and all improvements located at 5959-6161 Alameda Avenue, Huntington Park, California, together with assignment by the Successor Agency to Alexander of all leases and contracts pertaining to the Property which Alexander agrees to accept.

Paragraph 3.

(a) The purchase price payable by Alexander to the Successor Agency for the purchase of the Property shall be the sum of THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) in cash at the "close of escrow" as this term is defined in the next sentence. The words "close of escrow" as used in this MOU means and refer to the escrow transaction as shall be more particularly described in the purchase and sale agreement for the Property. The close of escrow shall occur upon

the satisfaction of the applicable conditions in such purchase and sale agreement in favor of Alexander and in favor of the Successor Agency.

(b) Separately from the purchase price, Alexander shall also pay the City of Huntington Park at the close of escrow (i) a sum not to exceed FOUR HUNDRED THOUSAND DOLLARS (\$400,000) for the actual costs paid by the City for the performance of the environmental soil clean-up work described in the Response Plan prepared by Eco & Associates, Inc. dated July 21, 2014 (the "Response Plan") which was approved by State of California Department of Toxic Substance Control ("State DTSC") on October 2, 2014 (the "Soil Clean-up Work"); and (ii) a sum in the amount sufficient to pay State DTSC for contribution protection and immunity from any government-initiated environmental enforcement action, which includes reimbursement of costs paid by the City for groundwater well installation, sampling and aquifer testing related to environmental contamination on the Property that existed prior to the Closing implicating California law for the benefit of the owner of the Property and its successors and assigns, including for potential releases from the Property of any of the hazardous substances discovered in soil, soil gas, and groundwater as described in the Response Plan and the Technical Memorandum prepared by Geosyntech Consultants dated October 10, 2014 (the "Technical Memorandum").

Paragraph 4.

(a) Promptly upon the execution of this MOU by the parties, the Successor Agency shall direct its attorneys to prepare and deliver to Alexanders a proposed form of the purchase and sale agreement for the Property that will include, among other things, the business terms specified in this MOU. The proposed purchase and sale agreement for the Property will not be considered binding unless it is approved and executed by both parties.

(b) The definitive purchase and sale agreement for the Property will provide that the obligations of Alexander to complete the purchase of the Property from the Successor Agency are subject to satisfaction of the following conditions precedent, the precise statement of which will be subject to the Alexanders satisfaction in its sole discretion.

- (1) review of title to the Property;
- (2) review of relevant building and building permit records in the possession of the City of Huntington Park as relate to the Property;
- (3) review of relevant correspondence to or from the Successor Agency or the City of Huntington Park, data, reports, memoranda, or other such documents in any way related to the environmental condition of the Property;
- (4) review of service and maintenance contracts of the Successor Agency or the City of Huntington Park as relates to the Property;
- (5) receipt of confirmation in a form acceptable to Alexander and the title insurance company that the Oversight Board for the Successor Agency

and the State Department of Finance have approved the transfer of the Property by the Successor Agency to Alexander or the term set forth in the purchase and sale agreement;

- (6) receipt by Alexander of a policy of title insurance in favor and with coverage of Alexander as the purchase of the Property in a form acceptable to Alexander;
- (7) confirmation by State DTSC, in form and substance acceptable to Alexander, that the Soil Clean-up Work and all necessary soil cleanup work has been completed;
- (8) receipt of a "no further action letter" from the State DTSC addressed to the Successor Agency and transferable to Alexander in a form acceptable to Alexander confirming that the Soil Clean-up Work and all necessary soil cleanup work has been completed to the satisfaction of State DTSC;
- (9) receipt of a fully executed CLRRRA agreement with State DTSC in which the owner of the Property, including Alexander as the successor in interest of the Successor Agency, is released from liability for hazardous substances released on the Property and for environmental contamination that existed on the Property prior to the Closing, including all hazardous substances in soil, soil gas, and groundwater described in the Response Plan and the Technical Memorandum in a form acceptable to Alexander;
- (10) receipt by Alexander of a Phase I Environmental Site Assessment ("ESA") Report in compliance with 40 C.F.R. 312 of the Property (which includes an assessment of the Soil Clean-up Work, the recent groundwater investigation work, and other environmental conditions) which is acceptable to Alexander;
- (11) receipt by Alexander of assurances in form and substance satisfactory to Alexander from the United States Environmental Protection Agency that Alexander will not be named as a defendant or potentially responsible party by the federal government for environmental contamination on the Property that originated prior to the Closing, or brought into any such action via a contribution claim;
- (12) determination by Alexander that it is protected against any direct third party actions for contamination on the site, including those that may be brought under federal statutory law, state statutory law, and common law.

(c) The definite purchase and sale agreement for the Property will provide that the obligations of the Successor Agency to complete the sale and disposition of the Property to Alexander are subject to satisfaction of the following conditions precedent:

- (1) the Oversight Board for the Successor Agency and the State Department of Finance have approved the transfer of the Property by the Successor Agency to Alexander;
- (2) the City of Huntington Park shall have completed the Soil Clean-Up Work;
- (3) State DTSC shall have issued to "no further action letter" to the Successor Agency in a form reasonably acceptable to the Successor Agency which

- confirms that the Soil Clean-up Work has been completed to the satisfaction of State DTSC;
- (4) receipt of a CLRRRA agreement executed by State DTSC in which the owner of the Property, including the Successor Agency, is released from any further or potential liability for releases to groundwater of hazardous materials from the Property in a form reasonably acceptable to the Successor Agency;
 - (5) confirmation to the Successor Agency by the escrow holder under the purchase and sale agreement that:
 - (i) the funds to pay for the purchase price of the Property have been provided to the escrow holder by Alexander and are available for disbursement to the Successor Agency upon the close of escrow; and
 - (ii) the funds to pay the City for the costs of the Soil Clean-Up Work in an amount not to exceed \$400,000 have been provided to the escrow holder by Alexander and are available for disbursement to the City upon the close of escrow;
 - (iii) the funds required to pay to State DTSC, if any, under the CLRRRA agreement have been provided to the escrow holder by Alexander and are available for disbursement to State DTSC upon the close of escrow;

Paragraph 5. The Successor Agency agrees to allow Alexander, its employees, agents, or contractors, at the sole cost and expense of Alexander, access to the Property for the purpose of inspections of the Property during the term of this MOU, including the performance of the Phase I ESA. The Successor Agency shall cooperate in responding to any inquiry made by the environmental consulting firm or others engaged in the performance of the Phase I ESA, including responding to questionnaires and providing documents. As significant environmental testing has already taken place on the Property, Alexander does not anticipate performing a Phase II ESA, but in the event Alexander does, the following terms and conditions apply to any such inspection of the Property by Alexander:

- (a) The inspections shall only occur during business hours or at reasonable times upon reasonable advanced notice to the Successor Agency. All activities undertaken by or on behalf of Alexander in connection with the inspections shall fully comply with applicable laws and regulations, and Alexander shall promptly restore, at its sole cost and expense, any damage to the Property arising in connection with such inspections.
- (b) Before conducting the inspections, Alexander shall submit for the approval of the Successor Agency a certificate of insurance naming the Successor Agency as an additional insured for such work of inspection. For purposes of this subparagraph, an endorsement of the existing commercial general liability policy of insurance of Alexander in favor of the Successor Agency under the existing lease affecting the Property shall be deemed to be acceptable by the Successor Agency.

(c) Alexander may not conduct any intrusive inspections such as borings of the soil on the Property without the prior written consent of the Successor Agency.

(d) If the parties do not enter into a definitive agreement regarding the Property, Alexander shall furnish the Successor Agency with copies of any reports relating to the inspections performed by Alexander or its agents, employees, or contractors.

(e) Alexander hereby releases, indemnifies and agrees to defend and hold the Successor Agency free and harmless from and against any and all obligations, lawsuits, injuries, losses, damages, claims, liens, costs, expenses, demands, liabilities, judgments, penalties, and investigation costs incurred as a result of any Phase II ESA inspections. Without limiting the generality of this indemnity, Alexander shall (i) keep the Property free and clear of any mechanics' or other lien that may be recorded or threatened against the Property by any party providing labor, materials, or services in connection with the inspections and (ii) in the absence of the express written approval of the Successor Agency or unless otherwise required by law, not file or cause to be filed any application or make any request (other than inquiries of the public records) with any governmental or quasi-governmental agency that would or could lead to a hearing before any governmental or quasi-governmental agency or that would or could lead to a note, notice, or violation of law or municipal ordinance, order, or requirement imposed on the Property by such an agency, or any change in zoning, parcelization, licenses, permits, or other entitlements or any investigation or restriction on the use of the Property, or any part thereof.

Paragraph 6. The Successor Agency shall exercise its best effort to cause the City of Huntington Park to undertake the Soil Clean-up Work on the Property; provided however, that the Successor Agency shall be under no obligation to Alexander or to any third party to provide any source of funds to the City of Huntington Park to undertake such work and further provided that nothing in this MOU shall be deemed to obligate the City of Huntington Park to budget or appropriate funds to pay for such Soil Clean-up Work except from monies to be disbursed to the City of Huntington Park by the escrow holder at the close of escrow for the transfer of the Property to Alexander or from other funds as may hereafter be specifically appropriated by the City of Huntington Park for such purposes, in the sole discretion reserved to the City of Huntington Park.

Paragraph 7. The Property shall be conveyed by the Successor Agency to Alexander upon the close of escrow in an "AS IS"/"WHERE IS"/"SUBJECT TO ALL FAULTS" condition and with certain other representations and warranties of the Successor Agency as shall be as set forth in the purchase and sale agreement for the Property, the precise statement of which shall be subject to the mutual satisfaction of the parties.

Paragraph 8. Alexander shall make certain representations and warranties to the Successor Agency in connection with its purchase of the Property as shall be set forth in the purchase and sale agreement for the Property, the precise statement of which shall be subject to the mutual satisfaction of the parties.

Paragraph 9. The parties acknowledge that upon the close of the escrow for the transfer of the Property to Alexander, each party shall be responsible for the payment of certain real estate broker fees and commissions, as shall be set forth in the purchase and sale agreement for the Property. Notwithstanding the foregoing provision of this Paragraph 8, to the contrary in no event shall the Successor Agency be responsible for the payment of any such real estate broker fee except for such real estate broker fee payable to the firm of Jones Lang & LaSalle by the Successor Agency in the amount of three percent (3%) of the purchase price of the Property (excluding of any sums payable to the City for the Soil Clean-up Work or any sums payable to State DTSC under the CLRRRA agreement).

Paragraph 10. For the purposes of this MOU notice may be issued by either party to the other as follows:

TO SUCCESSOR AGENCY:

TO ALEXANDER:

Any such notice shall be effective upon issuance by the party if delivered to the other party at the address indicated above in writing by personal delivery, or by next day commercial mail or by United States First Class Mail and in each such case notice shall be confirmed by Email to the address indicated above.

Paragraph 10. If a definitive purchase and sale agreement for the Property is executed by the parties, escrow for the transaction will be established promptly thereafter with a title insurance company escrow department as mutually designated by the parties. Both parties will execute escrow instructions and other instruments necessary to close escrow consistent with the definitive agreement. Such an escrow is presently anticipated by the parties to the MOU to be in a condition to close within thirty (30) days following the issuance by State DTSC of a "no further action letter" that is mutually acceptable to the parties for the Soil Clean-up Work as provided in Paragraph 3(b)(8), and the mutual approval by the parties of the CLRRRA agreement as provided in Paragraph 3(b)(9).

This MOU may be executed in counterparts, and when each such counterpart has been executed by the authorized officer or member of a party whose name appears below, the MOU shall take effect.

Date: _____

CITY OF HUNTINGTON PARK AS
SUCCESSOR AGENCY TO THE FORMER
COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF HUNTINGTON PARK

By: _____

By: _____
ALEXANDER

Date: _____

By: _____

By: _____

RESOLUTION NO. OSB 2014-10

**RESOLUTION OF THE OVERSIGHT BOARD TO THE CITY OF
HUNTINGTON PARK AS SUCCESSOR AGENCY FOR THE FORMER
HUNTINGTON PARK COMMUNITY DEVELOPMENT COMMISSION
APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE
HUNTINGTON PARK SUCCESSOR AGENCY ALEXANDER IMPORTS
REGARDING THE POTENTIAL DISPOSITION OF SUCCESSOR AGENCY
LAND AND ENVIRONMENTAL SOIL CLEAN-UP TO BE CONDUCTED AT
THE PROPERTY LOCATED AT 5959-6161 ALAMEDA AVENUE,
HUNTINGTON PARK (SOUTHLAND STEEL PROPERTY)**

WHEREAS, the City of Huntington Park (the "City") authorized the formation and operation of a community redevelopment agency within the territorial jurisdiction of the City pursuant to state law; and

WHEREAS, the former Community Development Commission of the City of Huntington Park undertook the redevelopment of certain areas of the City in reliance upon the provisions of state law and the former Community Development Commission of the City of Huntington Park entered into certain contracts, expended public funds, incurred indebtedness and assumed certain obligations and liabilities with third parties in reliance upon applicable State and federal law in order to eliminate and prevent the spread of blight and to enhance and preserve the supply of affordable housing within the City; and

WHEREAS, the State of California (the "State") has ordered the former Huntington Park Community Development Commission to be dissolved under the provisions of ABX1 26 (Stats 2011-12, 1st Ex. Sess., Chapter 5), as amended by AB 1484 (Stats 2012, Chapter 26), and collectively the State legislation identified in this sentence is referred to herein as the "State Redevelopment Dissolution Law"; and

WHEREAS, the City as Successor Agency to the former Huntington Park Community Development Commission ("Successor Agency") has initiated the implementation of the

1 State Redevelopment Dissolution Law;

2 WHEREAS, the Successor Agency and Alexander Imports (“Alexander”), a California
3 corporation, intend to finalize negotiations for their mutual approval of a purchase and sale
4 agreement for the disposition of the property located at 5959-6161 Alameda Avenue,
5 Huntington Park, California (the “Southland Steel Property”); and

6 WHEREAS, a memorandum of understanding between the Successor Agency and
7 Alexander (the “MOU”), attached hereto as Exhibit “A,” has been submitted by Successor
8 Agency staff to the Oversight Board to the Successor Agency for the former Community
9 Development Commission for the City of Huntington Park (the “Oversight Board”) for
10 consideration and approval; and

11 WHEREAS, the MOU serves as the basis for completing the negotiation and drafting
12 a definitive purchase and sale agreement for the disposition of the Southland Steel Property
13 between the Successor Agency and Alexander and also provides for the City’s
14 environmental soil clean-up of the Southland Steel Property prior to the close of escrow for
15 such property disposition under the oversight of the California Department of Toxic
16 Substance Control; and

17 WHEREAS, the MOU does not contain all of the elements of the purchase and sale
18 agreement that it anticipates; and

19 WHEREAS, Successor Agency staff has also submitted a cost estimate, dated
20 November 6, 2014, for the City’s environmental soil clean-up of the Southland Steel
21 Property, to the Oversight Board, which is attached hereto as Exhibit “B.”
22

23 NOW, THEREFORE, BE IT RESOLVED THAT THE OVERSIGHT BOARD FOR THE
24 COMMUNITY DEVELOPMENT COMMISSION FOR THE CITY OF HUNTINGTON PARK
25 DOES HEREBY RESOLVE, PASS, AND APPROVE AS FOLLOWS:
26

27 SECTION 1. The recitals set forth above are true and correct and incorporated
28 herein by reference.

1
2 SECTION 2. The Oversight Board hereby acknowledges receipt of and approves the
3 form of the MOU but reserves approval of the disposition of the Property upon the Oversight
4 Board's separate and independent review and approval of the final terms of the purchase
5 and sale agreement referenced in the MOU.
6

7 SECTION 3. The Oversight Board authorizes and directs the Successor Agency to
8 permit the City and its contractors entry onto the Southland Steel Property to perform the
9 environmental soil clean-up work described in the MOU, provided, however, that the City, as
10 a condition of such entry onto the Southland Steel Property, agrees to hold the Successor
11 Agency harmless for all stop notice claims as may hereafter be filed by workers, suppliers,
12 contractors, and subcontractors who may be engaged to perform such environmental soil
13 clean-up work on the Southland Steel Property.
14

15 SECTION 4. The Oversight Board hereby acknowledges receipt of and approves the
16 attached cost estimate provided by Successor Agency staff, dated November 6, 2014, for
17 the City's environmental soil clean-up of the Southland Steel Property, to the Oversight
18 Board.
19

20 SECTION 5. Successor Agency staff is hereby directed to execute the MOU, in
21 accordance with any necessary conforming changes, at the earliest feasible time.
22

23 SECTION 6. The staff of the Successor Agency is hereby directed to provide to the
24 California Department of Finance ("State DOF") written notice and information regarding the
25 action taken by the Oversight Board pursuant to this Resolution. Such notice and
26 information shall be provided by electronic means and in a manner of the State DOF's
27 choosing.
28

1 SECTION 7. This Resolution shall take effect upon adoption. The Chair of the
2 Oversight Board shall certify to the adoption of this Resolution.

3
4 PASSED AND ADOPTED by the Oversight Board to the Successor Agency to the former
5 Huntington Park Community Development Commission at its regular meeting on this
6 November 12, 2014.

7
8
9 _____
10 Chair

11 ATTEST:

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15 _____
16 Estevan Padilla, Deputy Clerk
17 Los Angeles County Board of Supervisors
18 Acting as Secretary to the Huntington Park Oversight Board
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STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF HUNTINGTON PARK)

I, Estevan Padilla, Secretary of the Oversight Board, DO HEREBY CERTIFY that the foregoing Oversight Board Resolution No. OSB 2014- 10 was duly adopted by the Oversight Board and approved by the Chair at a meeting of said Oversight Board held on the 12th day of November, 2014 and that it was so adopted as follows:

AYES:

NOES:

ABSENT:

ABSTAINING:

Dated:

Estevan Padilla, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary to the Huntington Park Oversight
Board

EXHIBIT A – MEMORANDUM OF UNDERSTANDING

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EXHIBIT B – COST ESTIMATE

SOUTHLAND STEEL ESTIMATED CLEANUP BUDGET

	City / Successor Agency	Grants	Alexander Imports	TOTAL
Sale Price	\$ 3,200,000			\$ 3,200,000
Commission Broker Fee	(141,000)			(141,000)
Net Sale Price	\$ 3,059,000			\$ 3,059,000
Soil/Soil Vapor VOCs				
1 Remediation (soil/soil vapor)				\$ 871,000
2 Construction Management				152,106
3 Lab test fees				150,000
4 Davis-Bacon monitoring				25,000
				\$ 1,198,106
Contingency - 15%				179,716
Subtotal	\$ 577,822	\$ 400,000	\$ 400,000	\$ 1,377,822
Soft Costs /Compliance				
5 Legal fees				25,000
6 Dept. of Toxic Substances Control				60,000
7 Other fees and permits				20,300
8 Eco & Associates (Preparation of ResPlan)				40,000
Subtotal	\$ 145,300	\$ -	\$ -	\$ 145,300
TOTAL	\$ 723,122	\$ 400,000	\$ 400,000	\$ 1,523,122
9 Groundwater Wells installation/monitoring*			235,750	\$ 235,750
10 Groundwater Clean up Estimate			585,000	\$ 585,000
TOTAL CLEAN-UP COSTS	\$ 723,122	\$ 400,000	\$ 1,220,750	\$ 2,343,872

NET SALE PROCEEDS	\$ 2,335,878
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Notes:

*Costs to install/test 6 new groundwater wells requested by DTSC